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DIARY NOTES

DD/S

5 January 1961

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1. I discussed with [REDACTED] the action which should now be taken by the Management Staff in connection with their survey of the Office of Logistics. The Inspector General has now started a survey of this Office. The Management Staff has been there for more than eighteen months and I believe that it is appropriate for them to make their recommendations at this time. I, therefore, instructed them to make their report and recommendations as of now to the Director of Logistics with an information copy to the DD/S.

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2. I discussed with [REDACTED] again the future of the Management Staff emphasizing my desire to streamline it, to reorient it, and to cut down its size. John believes that the Management Staff wastes a great deal of time on tables of organization, manpower, etc., and proposes to transfer this function to the Office of the Comptroller. His point is that the Comptroller has to scrutinize them, in any case, to insure compliance with ceiling and budgetary restrictions and that the net effect of all the massaging the Management Staff gives these various requests doesn't add up to very much more. While not making a final decision, I asked him to discuss the matter with Ed Saunders, to assume, for the moment, that [REDACTED] would be his replacement sometime between now and the first of July, and to give me his specific and concrete recommendations on the future of the Management Staff when I return from my trip to the Far East in early February. H

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3. I met with [REDACTED] to talk about the location of some of the components of the Office of Communications which are not now scheduled to go into the new building. [REDACTED] put up a strong plea that we take more than [REDACTED] of the so-called contingency space which we obtained by leaving the Foreign Documents Division out of the building and assign it to his Engineering Division. I told him that this could not be done, that insofar as I could see the situation with respect to the Office of Communications was the same as it had been for the last year or two, and that we must still plan to leave out of the building some 125 people of the Office of Communications. I urged him to send 40 to 50 of these if he could, and he indicated that he thought he could, to the [REDACTED] This would still leave 75 or so to be housed in L Building, West Potomac Park or wherever we are finally located. H

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4. [REDACTED] presented to me a proposed intercom system to be put in the new building as a result of our recent discussion at the Deputies' Meeting. I approved of it and told him not to authorize any additional intercom systems until after we had moved into the new building and then only with my specific approval. The system which we are putting in will provide an intercom system with the Director, the Deputy Directors and each Office Head or Division Chief. At the moment we do not plan to go below this level. H

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Bill's transfer to the Office of Logistics and agreed that this should be effective 15 January 1961.

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7. [REDACTED] telephoned me to say he had just learned that the Director was presenting Honor Awards including the Certificate of Merit which carries with it a \$100 cash honorarium. He said that in the Suggestion Awards Program he had been following the practice of having the Deputy make such awards unless they were more than \$1,000 and he felt that it was an imposition on the Director to ask him to make these "nickel and dime" awards. There is something in this and it might be desirable to have the two programs consistent in this regard. However, in discussing the matter with Emmett Echols I learned that they never ask the Director to award a Certificate of Merit unless it is in connection with a ceremony at which higher awards are being made. This being the case I think that we should continue as is since it certainly means a great deal more to the employee to receive his Certificate of Merit from the Director than it would to receive it from a Deputy Director.

8. Bob Macy, Bureau of the Budget, telephoned me to say that he was briefing Mr. Bell, the new Director of the Budget, tomorrow morning and he wondered whether it would be appropriate to mention to him some of our more sensitive projects in CIA. I told Bob it was my personal opinion that it would be inappropriate for him to mention these highly

sensitive projects to Mr. Bell prior to 20 January but that if he wished to do so I would speak to the Director and obtain an official reaction. Bob said that this would not be necessary and that he would proceed without mentioning these highly sensitive projects unless some problem came up in which case he would come back to me for further guidance.

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9. [REDACTED] advised me that Sam Crosby had telephoned to say that the Defense Subcommittee of the House Appropriations wanted to be briefed by the Director on the 18th and 19th of January.

10. Larry Houston reported that the Public Buildings Act is now such that were we to ask for an addition to our new building we would have to go through the General Services Administration and the Public Works Committee rather than have the matter referred to our own Committee. I don't see any real problem here but this would be a little deviation from the procedure which we followed in obtaining our initial authorization. H

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11. [REDACTED] telephoned to give me further information about Mr. [REDACTED] 25X1A9A was picked up with about \$12 worth of meat which he had shoplifted from a Safeway Store. His excuse was that the Store had shortchanged him in a previous transaction and had refused to refund his money. He admitted that he took this merchandise and that he was not on a run for the courier business; however, he was in an official car, did have his gun, etc. I instructed Bob that he should be dropped from our roles forthwith and expect to hear from him unless this action is carried out.

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12. [REDACTED] were in to talk with me about [REDACTED] 5X1A9A reluctance to have Keith assigned as the Chief of Support in [REDACTED] Keith agrees with me that under these circumstances it would not be wise for him to go to this post. I assured him that this would in no way hurt his career and that some other opening would come for him in the future. He understands the situation thoroughly and, in fact, would prefer to go overseas a year or two from now rather than at this particular time.

13. I talked to the Director about Shef Edwards' desire to announce that he planned to retire on 1 July 1962. Although I explained the reasons to the Director, he was not entirely happy about announcing this so soon. He did, however, agree that it was all right for Shef to go ahead and do this. I was somewhat surprised that he did not immediately insist that he did not want Shef to retire. (I will speak to Shef about this and give him the green light to go ahead if he cares to do so.)

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